

**ASSEMBLY BILL**

**No. 542**

**Introduced by Assembly Members Dutra and Parra**

February 18, 2003

---

---

An act to amend Section 1563 of the Code of Civil Procedure, relating to escheat.

LEGISLATIVE COUNSEL'S DIGEST

AB 542, as introduced, Dutra. Escheated property: military artifacts.

Existing law requires all escheated property delivered to the Controller to be sold by the Controller to the highest bidder at public sale, as specified. Existing law excepts from this requirement escheated property consisting of military awards and decorations, which are to be held in trust for the Controller at the California National Guard Museum and Resource Center.

This bill would provide that other items relating to the military history of California and Californians are also to be exempted from the public sale requirement described above, and would provide that the California State Military Museum and Resource Center shall hold these items in trust for the Controller.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature hereby finds and declares all of  
2 the following:

1 (a) Members of the United States Armed Forces have  
2 consistently answered their nation's call to duty with honor and  
3 bravery.

4 (b) Californians serve proudly and with distinction in every  
5 branch of the United States Armed Forces.

6 (c) Californians have been recognized for their distinguished  
7 service by being honored through the awarding of Purple Hearts,  
8 Silver Stars, and Congressional Medals of Honor, among other  
9 commendations and awards.

10 (d) The heritage and culture of the State of California is  
11 uniquely represented in military equipment, artifacts,  
12 memorabilia, documents, photographs, films, literature, and other  
13 items relating to the military history and tradition of California and  
14 Californians.

15 SEC. 2. Section 1563 of the Code of Civil Procedure is  
16 amended to read:

17 1563. (a) Except as provided in subdivisions (b) and (c), all  
18 escheated property delivered to the Controller under this chapter  
19 shall be sold by the Controller to the highest bidder at public sale  
20 in whatever city in the state affords in his or her judgment the most  
21 favorable market for the property involved, or the Controller may  
22 conduct the sale by electronic media, including, but not limited to,  
23 the Internet, if in his or her judgment it is cost-effective to conduct  
24 the sale of the property involved in that manner. The Controller  
25 may decline the highest bid and reoffer the property for sale if he  
26 or she considers the price bid insufficient. The Controller need not  
27 offer any property for sale if, in his or her opinion, the probable  
28 cost of sale exceeds the value of the property. Any sale of escheated  
29 property held under this section shall be preceded by a single  
30 publication of notice thereof, at least one week in advance of sale,  
31 in an English language newspaper of general circulation in the  
32 county where the property is to be sold.

33 (b) Securities listed on an established stock exchange within  
34 two years following receipt by the Controller shall be sold at the  
35 prevailing prices on that exchange. Other securities may be sold  
36 over the counter at prevailing prices or, with prior approval of the  
37 State Board of Control, by any other method that the Controller  
38 may determine to be advisable. United States government savings  
39 bonds and United States war bonds shall be presented to the United

1 States for payment. Subdivision (a) does not apply to the property  
2 described in this subdivision.

3 (c) All escheated property consisting of military awards~~and~~,  
4 decorations, *equipment, artifacts, memorabilia, documents,*  
5 *photographs, films, literature, and any other item relating to the*  
6 *military history of California and Californians* that is delivered to  
7 the Controller is exempt from subdivision (a) and shall be held in  
8 trust for the Controller at the ~~California National Guard Museum~~  
9 *California State Military Museum* and Resource Center. Any  
10 person claiming an interest in the escheated property may file a  
11 claim to the property pursuant to Article 4 (commencing with  
12 Section 1540).

13 (d) The purchaser at any sale conducted by the Controller  
14 pursuant to this chapter shall receive title to the property  
15 purchased, free from all claims of the owner or prior holder thereof  
16 and of all persons claiming through or under them. The Controller  
17 shall execute all documents necessary to complete the transfer of  
18 title.

